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CENTRAL INTELLIGENCE AGENCY

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3. Responsibilities for Implementation

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- a. The GAC Committee of Finance and Economics, the Ministry of Heavy Industries, the Ministry of Finance, PLA Supreme Headquarters, the Northwest Military and Administrative Committee, the Industrial Department of Northwest China, the Sinkiang Provincial Government, and the Northwest Military Region Headquarters shall appoint representatives to the "Sinkiang National Defense, Industrial and Economic Reconstruction Committee" which will be held responsible for implementing this plan.
- b. This Committee must be established by September 1950 and must formulate concrete steps for implementing this plan before October 1950.
- c. The GAC Committee of Finance and Economics should allocate 1,500,000,000 catties of millet before November 1950 as the first installment of the Reconstruction Fund. Subsequent allocations will be made each three months afterwards, in accordance with progress made on the reconstruction projects. After work on the reconstruction project has begun, the progress report shall be submitted to the central government every three months. The GAC Committee of Finance and Economics must send technical personnel to Sinkiang at the end of each year to inspect progress made toward fulfilling this Plan.

4. Supply of machinery

- a. The GAC Committee of Finance and Economics is responsible for allocation and supply of all machinery for textile mills and tanning plants; machinery required for reconstruction plants shall all be imported from abroad directly by Sinkiang Province.²
- b. Equipment required for reconstruction of mine pits all shall be imported from abroad directly by Sinkiang Province.

5. Recruitment and training of technical personnel

- a. The GAC Committee of Finance and Economics shall employ Soviet experts who will be responsible for technical supervision of the plant.
- b. The GAC Committee of Finance and Economics shall transfer 500 technical engineering personnel from East China to North China. These persons will proceed in groups to Sinkiang Province.
- c. The Industrial Department of Northwest China should immediately establish a training organization which will enroll 1,000 students having middle school education in training courses for a period of 1¹/₂ to 2 years. Upon graduation from these courses the trainees will be sent to various plants.

25X1X 1. Comment. The Informant states that the Chinese Communists have divided Sinkiang industrial reconstruction into two parts: one part, which is outlined in this report, concerns projects undertaken by the Chinese Communists; the other part concerns projects constructed jointly by the Chinese Communists and the USSR in accordance with their agreements of 27 March 1950. This agreement included: (a) agreement for the establishment of the Sino-Soviet Petroleum Joint Stock Corporation in Sinkiang, and (b) agreement for establishing the Sino-Soviet Colored and Rare Metals Joint Stock Corporation in Sinkiang. In accordance with these agreements various colored metal mines and the Petroleum Development and Refining Company have been established. These joint Sino-Soviet projects are coordinated with the projects outlined in the Three Year Plan.

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2. For supply and delivery this equipment directly to Sinkiang.

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REPORT SUSPECT BUT NOT SPURIOUS

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Memo FI/RQM/IA to CIA Library
23 June 1954